

# LASSEN COUNTY ECONOMIC FORECAST

The Lassen County economy is contracting. In 2017 it lost 250 jobs, marking the sixth year of declines in the last decade. By contrast, the statewide economy created jobs at a rate of 2.0 percent in 2017.

In Lassen County, approximately 110 jobs were lost in the agriculture sector. Like other parts of California, drought conditions and lower global commodity prices have lead to less income for local farms. In Lassen County, total agricultural production peaked in 2013 at \$135 million, but has since declined to \$120 million. Agricultural employment has followed a similar trend, declining by more than 200 jobs in just a few years.

Another 50 jobs were lost in the government sector in 2017. The Lassen County economy is highly reliant on the government industry, with government agencies employing more than 6,100 workers and accounting for 60 percent of the total job market. Most of these jobs are in public schools and municipal agencies, although some are in state and federal agencies located within Lassen County.

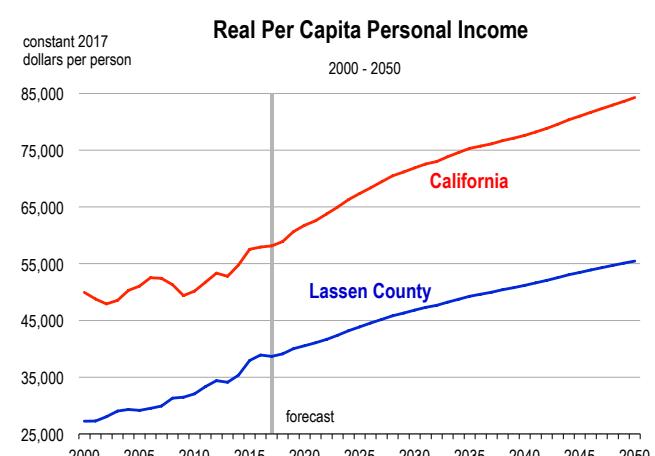
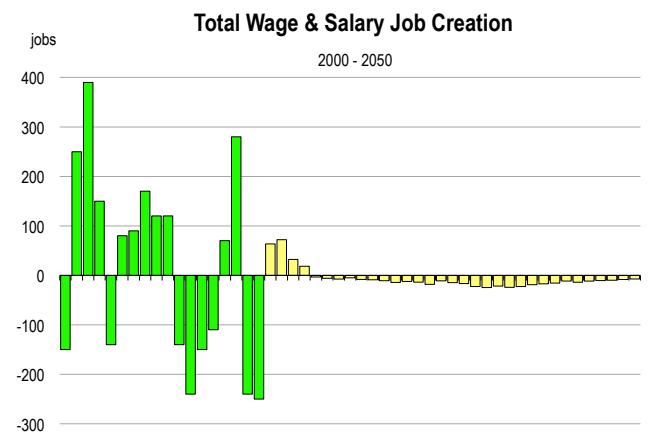
The unemployment rate improved substantially last year, falling from 7.0 percent in 2016 to 5.6 percent in 2017. How can the unemployment rate improve when jobs are being lost? Because local residents are retiring at a rapid rate. A large share of the population is beyond retirement age, and as people leave the labor force, there are not enough working-age residents to replace them.

Lassen County's population has declined for most of the last decade, as an average of 520 net migrants have left the county each year. Population decline is expected to continue in Lassen County, placing the economy at risk of long-term stagnation. Stagnant economies are often characterized by subpar job creation, slow income growth, and insufficient public revenues, preventing living conditions from improving and making it difficult for local governments to provide adequate pubic services.

Due to a slowly-growing economy and a shrinking population, homebuilding activity has been minimal. Between 2012 and 2017, an average of only 10 homes were built each year. The same is true for commercial and industrial construction. Over the last five years, only \$4.2 million has been invested into non-residential structures annually, with the majority going to renovations of existing buildings.

## FORECAST HIGHLIGHTS

- Job growth of 0.6 percent is expected in 2018. Between 2018 and 2023, the annual growth rate will average 0.2 percent.

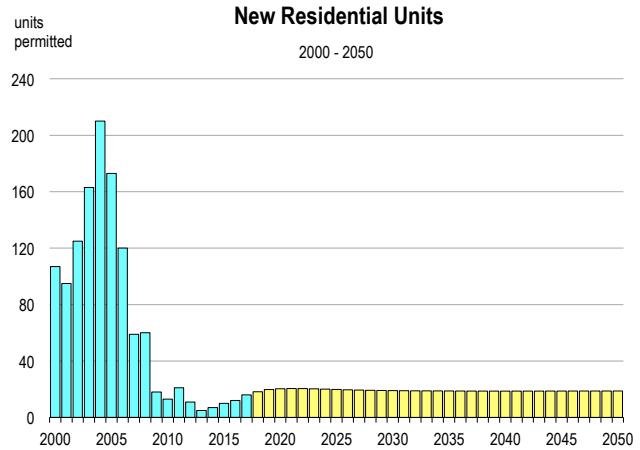
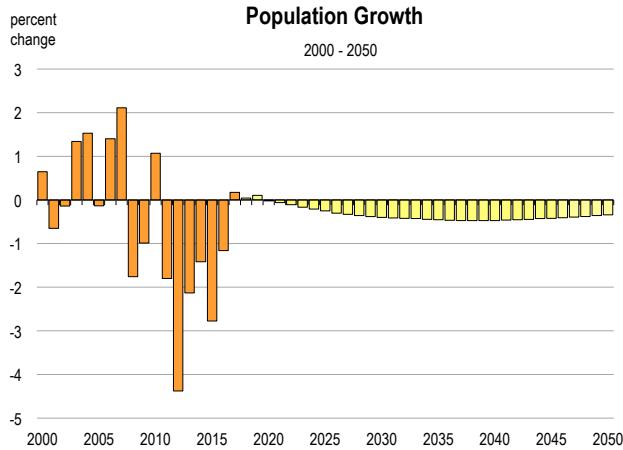


- Between 2018 and 2023, job creation will be concentrated in leisure services, education and healthcare, and government. Combined, these sectors will account for 75 percent of net job creation in the county.
- Average salaries are below the California average, and will remain so over the foreseeable future. In Lassen County, inflation-adjusted salaries are expected to rise by 1.8 percent per year from 2018 to 2023, which will be similar to statewide growth.
- An average of 20 new homes will be built each year between 2018 and 2023. Virtually all of these will be single-family homes, and very few (potentially none) will be apartments.
- The population is expected to remain largely unchanged from 2018 to 2023, but will decline meaningfully after 2023.

# Lassen County Economic Forecast

## 2010-2017 History, 2018-2050 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (millions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (millions)	Unemploy- ment Rate (percent)
2010	35,145	-179	37.1	10.1	13	\$219.5	\$0.97	\$32,071	1.3	86.3	87.5	14.1
2011	34,512	-733	36.4	10.0	21	\$234.6	\$1.02	\$33,335	2.7	114.8	84.7	13.5
2012	33,002	-1,540	35.2	10.0	11	\$241.9	\$1.03	\$34,395	2.7	112.2	78.2	12.5
2013	32,299	-767	35.7	9.9	5	\$256.1	\$1.01	\$34,094	2.3	134.9	73.1	10.6
2014	31,842	-547	35.8	9.9	7	\$264.2	\$1.05	\$35,326	2.8	134.1	61.4	9.1
2015	30,958	-955	36.5	9.9	10	\$295.3	\$1.12	\$37,963	2.6	133.4	45.8	7.2
2016	30,599	-409	37.1	9.8	12	\$333.5	\$1.16	\$38,911	3.1	120.5	44.8	7.0
2017	30,652	-56	36.0	9.7	16	\$369.1	\$1.18	\$38,648	3.2	120.6	55.6	5.6
2018	30,665	-68	35.9	9.8	18	\$385.8	\$1.24	\$39,117	3.7	120.9	59.3	4.9
2019	30,697	-46	35.9	9.8	20	\$404.3	\$1.30	\$40,004	3.1	121.3	57.4	4.5
2020	30,697	-76	35.9	9.8	20	\$423.0	\$1.36	\$40,560	4.1	121.6	59.7	4.8
2021	30,678	-91	35.9	9.8	20	\$439.6	\$1.42	\$41,045	3.6	122.0	60.9	5.0
2022	30,645	-102	35.9	9.8	20	\$458.5	\$1.48	\$41,680	3.5	122.3	61.5	5.1
2023	30,594	-116	35.9	9.8	20	\$478.5	\$1.54	\$42,387	3.4	122.7	63.1	5.3
2024	30,529	-124	35.9	9.9	20	\$499.4	\$1.60	\$43,171	3.3	123.0	64.5	5.4
2025	30,453	-133	35.9	9.9	20	\$520.0	\$1.66	\$43,876	3.1	123.4	65.9	5.6
2026	30,361	-145	35.9	9.9	20	\$539.6	\$1.72	\$44,528	3.1	123.8	67.1	5.8
2027	30,260	-149	35.9	9.9	19	\$559.5	\$1.78	\$45,178	3.0	124.2	67.8	5.9
2028	30,152	-152	35.9	9.9	19	\$580.1	\$1.84	\$45,839	3.3	124.5	68.8	5.9
2029	30,037	-156	35.9	9.9	19	\$598.0	\$1.89	\$46,319	3.1	124.9	69.9	5.9
2030	29,917	-157	35.9	9.9	19	\$616.6	\$1.95	\$46,810	3.0	125.4	70.9	6.0
2031	29,793	-159	35.8	9.9	19	\$635.7	\$2.00	\$47,297	2.9	125.8	71.9	6.0
2032	29,668	-161	35.8	10.0	19	\$655.1	\$2.05	\$47,649	3.1	126.2	72.9	6.0
2033	29,541	-160	35.7	10.0	19	\$675.3	\$2.11	\$48,211	2.7	126.6	73.9	6.0
2034	29,410	-162	35.7	10.0	19	\$696.0	\$2.16	\$48,740	2.9	127.1	74.9	6.0
2035	29,277	-163	35.7	10.0	19	\$717.3	\$2.22	\$49,257	3.0	127.5	76.0	6.0
2036	29,140	-165	35.6	10.0	19	\$739.1	\$2.29	\$49,628	3.4	128.0	77.0	6.0
2037	29,002	-166	35.5	10.0	19	\$761.7	\$2.36	\$49,982	3.5	128.5	78.0	6.0
2038	28,865	-164	35.5	10.0	19	\$784.7	\$2.42	\$50,422	3.3	128.9	79.1	6.0
2039	28,728	-166	35.4	10.0	19	\$808.3	\$2.50	\$50,796	3.5	129.4	80.2	6.0
2040	28,592	-166	35.3	10.1	19	\$832.0	\$2.57	\$51,185	3.4	129.9	81.3	6.1
2041	28,460	-164	35.3	10.1	19	\$855.7	\$2.64	\$51,622	3.2	130.5	82.4	6.0
2042	28,331	-164	35.2	10.1	19	\$879.3	\$2.71	\$52,072	3.1	131.0	83.5	6.1
2043	28,205	-164	35.1	10.1	19	\$902.8	\$2.78	\$52,538	3.0	131.5	84.7	6.1
2044	28,084	-162	35.1	10.1	19	\$926.2	\$2.86	\$53,051	2.8	132.1	86.0	6.0
2045	27,966	-163	35.0	10.1	19	\$949.9	\$2.93	\$53,471	3.0	132.6	87.2	6.1
2046	27,852	-162	35.0	10.1	19	\$973.8	\$3.00	\$53,899	2.9	133.2	88.5	6.0
2047	27,742	-162	34.9	10.1	19	\$997.9	\$3.08	\$54,294	2.9	133.8	89.9	6.1
2048	27,637	-162	34.9	10.2	19	\$1,022.6	\$3.15	\$54,691	2.9	134.4	91.2	6.1
2049	27,538	-161	34.8	10.2	19	\$1,048.0	\$3.23	\$55,081	2.9	135.0	92.7	6.0
2050	27,444	-161	34.8	10.2	19	\$1,073.9	\$3.31	\$55,470	2.9	135.6	94.2	6.1

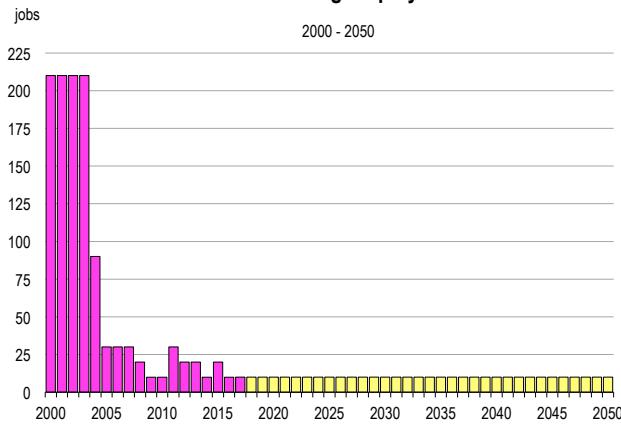


# Lassen County Employment Forecast

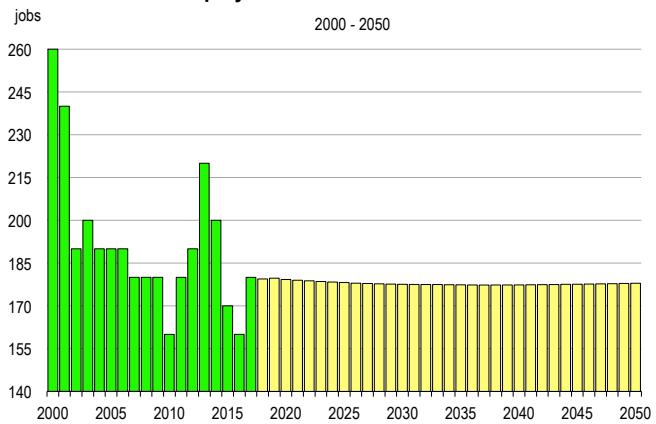
2010-2017 History, 2018-2050 Forecast

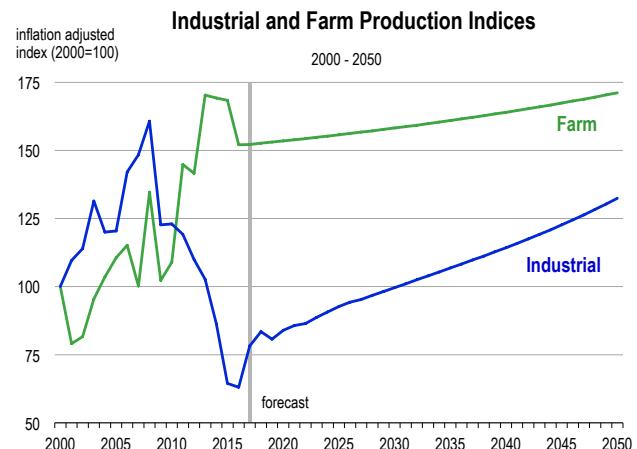
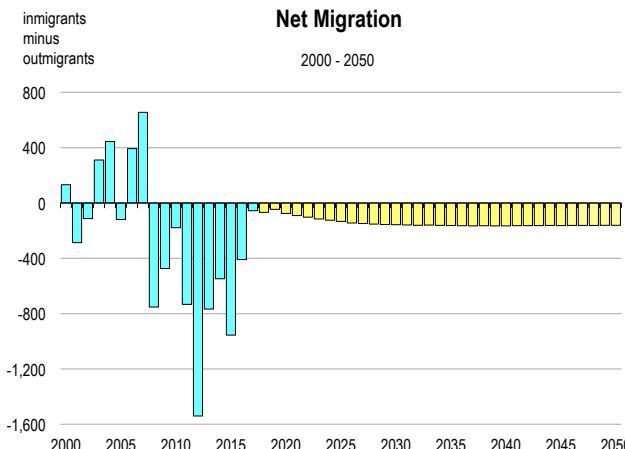
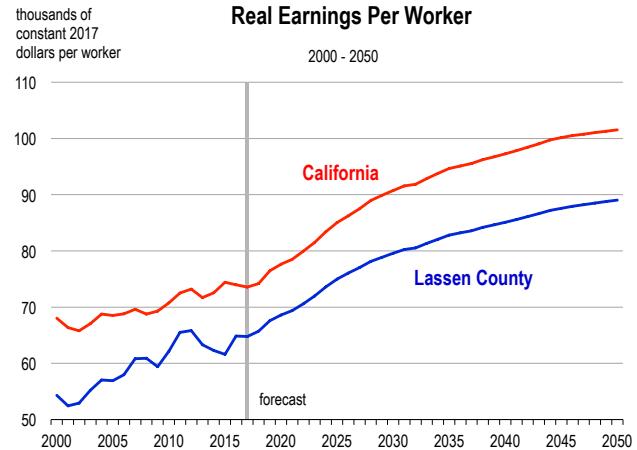
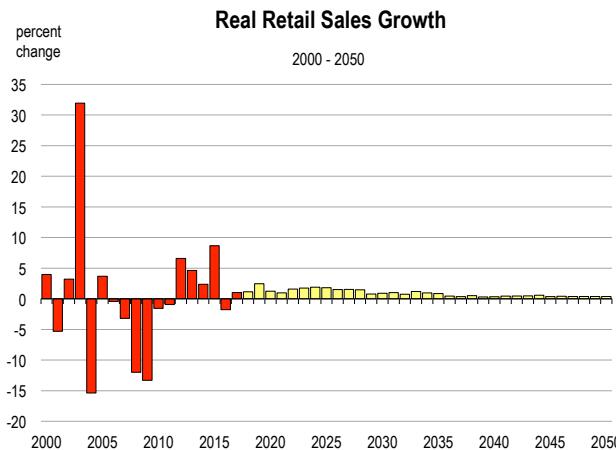
	Total Wage & Salary	Farm	Construction	Manufacturing	Transportation & Utilities	Retail Trade	Wholesale & Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	employment (thousands of jobs)											
2010	10.59	0.44	0.10	0.01	0.10	0.91	0.15	0.16	0.09	1.02	0.62	6.73
2011	10.35	0.56	0.10	0.03	0.09	0.86	0.14	0.18	0.08	1.02	0.61	6.47
2012	10.20	0.73	0.09	0.02	0.07	0.88	0.15	0.19	0.08	0.94	0.58	6.27
2013	10.09	0.65	0.10	0.02	0.07	0.87	0.15	0.22	0.09	0.97	0.61	6.07
2014	10.16	0.67	0.12	0.01	0.07	0.90	0.15	0.20	0.08	0.96	0.66	5.98
2015	10.44	0.72	0.13	0.02	0.07	0.95	0.15	0.17	0.09	0.95	0.67	6.14
2016	10.20	0.62	0.15	0.01	0.09	0.96	0.15	0.16	0.11	0.90	0.62	6.16
2017	9.95	0.51	0.14	0.01	0.10	0.95	0.15	0.18	0.11	0.89	0.58	6.11
2018	10.01	0.51	0.16	0.01	0.10	0.95	0.15	0.18	0.11	0.90	0.59	6.13
2019	10.09	0.51	0.16	0.01	0.10	0.96	0.15	0.18	0.11	0.90	0.60	6.18
2020	10.12	0.51	0.17	0.01	0.10	0.96	0.15	0.18	0.11	0.90	0.61	6.20
2021	10.14	0.51	0.16	0.01	0.10	0.96	0.15	0.18	0.11	0.90	0.61	6.21
2022	10.13	0.51	0.16	0.01	0.10	0.96	0.15	0.18	0.11	0.90	0.61	6.20
2023	10.13	0.51	0.16	0.01	0.10	0.96	0.15	0.18	0.11	0.91	0.61	6.19
2024	10.12	0.51	0.16	0.01	0.10	0.97	0.15	0.18	0.11	0.91	0.61	6.18
2025	10.11	0.52	0.16	0.01	0.10	0.97	0.15	0.18	0.11	0.91	0.61	6.18
2026	10.11	0.52	0.16	0.01	0.09	0.97	0.15	0.18	0.11	0.91	0.61	6.17
2027	10.10	0.52	0.16	0.01	0.09	0.98	0.15	0.18	0.11	0.91	0.61	6.16
2028	10.09	0.52	0.16	0.01	0.09	0.98	0.15	0.18	0.12	0.91	0.61	6.14
2029	10.07	0.52	0.16	0.01	0.09	0.98	0.15	0.18	0.12	0.91	0.61	6.13
2030	10.06	0.52	0.16	0.01	0.09	0.98	0.15	0.18	0.12	0.92	0.61	6.12
2031	10.05	0.52	0.16	0.01	0.08	0.98	0.15	0.18	0.12	0.92	0.61	6.10
2032	10.03	0.52	0.16	0.01	0.08	0.99	0.15	0.18	0.12	0.92	0.60	6.08
2033	10.02	0.52	0.16	0.01	0.08	0.99	0.15	0.18	0.12	0.92	0.60	6.07
2034	10.00	0.52	0.16	0.01	0.08	0.99	0.15	0.18	0.12	0.92	0.60	6.06
2035	9.99	0.52	0.15	0.01	0.08	0.99	0.15	0.18	0.12	0.92	0.60	6.04
2036	9.96	0.52	0.16	0.01	0.07	0.99	0.15	0.18	0.12	0.92	0.60	6.02
2037	9.94	0.52	0.16	0.01	0.07	0.99	0.15	0.18	0.12	0.92	0.60	5.99
2038	9.92	0.53	0.16	0.01	0.07	0.99	0.15	0.18	0.12	0.92	0.60	5.97
2039	9.89	0.53	0.16	0.01	0.07	0.99	0.15	0.18	0.12	0.92	0.60	5.95
2040	9.87	0.53	0.16	0.01	0.06	1.00	0.15	0.18	0.12	0.92	0.60	5.93
2041	9.85	0.53	0.16	0.01	0.06	1.00	0.15	0.18	0.12	0.92	0.60	5.91
2042	9.83	0.53	0.16	0.01	0.06	1.00	0.15	0.18	0.12	0.92	0.60	5.89
2043	9.82	0.53	0.16	0.01	0.06	1.00	0.15	0.18	0.12	0.92	0.60	5.87
2044	9.81	0.53	0.16	0.01	0.05	1.00	0.15	0.18	0.12	0.92	0.60	5.86
2045	9.79	0.53	0.16	0.01	0.05	1.00	0.15	0.18	0.12	0.92	0.60	5.85
2046	9.78	0.53	0.16	0.01	0.05	1.00	0.15	0.18	0.12	0.93	0.60	5.84
2047	9.77	0.53	0.16	0.01	0.05	1.00	0.15	0.18	0.12	0.93	0.60	5.82
2048	9.76	0.54	0.16	0.01	0.05	1.00	0.15	0.18	0.12	0.93	0.60	5.81
2049	9.75	0.54	0.16	0.01	0.04	1.01	0.15	0.18	0.12	0.93	0.60	5.80
2050	9.75	0.54	0.16	0.01	0.04	1.01	0.15	0.18	0.12	0.93	0.60	5.80

Manufacturing Employment



Employment in Professional Services





## County Economic and Demographic Indicators

### Projected Economic Growth (2018-2023)

Expected retail sales growth	8.2%
Expected job growth	1.1%
Fastest growing jobs sector	Construction
Expected personal income growth	8.1%

Expected population growth:	-0.2%
Net migration to account for:	N/A
Expected growth in number of vehicles:	0.2%

### Demographics (2018)

Unemployment rate (April 2018):	5.0%
County rank* in California (58 counties):	33rd
Working age (16-64) population:	71.1%

Population with B.A. degree or higher:	12.7%
Median home selling price (2017):	\$165,000
Median household income:	\$56,153

### Quality of Life

Violent crime rate (2016):	719 per 100,000 persons
County rank* in California (58 counties):	57th
Average commute time to work (2018):	23 minutes

High School drop out rate (2017):	6.5%
Households at/below poverty line (2018):	10.5%

\* The county ranked 1st corresponds to the lowest rate in California